Opportunities for the Federal Employees Health Benefits Program: Using Information Technology to Improve Health Care

Statement of

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Good afternoon, Mr. Chairman and members of the Subcommittee. I am Harvey Fineberg, president of the Institute of Medicine of the National Academies. As an independent, scientific adviser to the nation for improving health, the Institute of Medicine seeks to provide advice that is unbiased, based on evidence, and grounded in science. We produce about 50 reports each year on health care and biomedical research policy, the majority of which are commissioned by federal agencies, sometimes under a mandate from the United States Congress. Our work ranges across the spectrum of our nation's health concerns, embracing, for example, the public health infrastructure, the conduct of biomedical research, the emergence of microbial threats, and disparities in health care and health outcomes among different races and between the rich and the poor.

One major series of studies examines how to improve the safety and quality of health care received by Americans. Those studies include many recommendations related to healthcare information technology. Technology alone cannot solve the problems of quality in health care. Properly designed and implemented, however, information technologies can provide an essential infrastructure for transforming health care. Studies related to the use of information technologies to improve health care quality and safety can, I believe, prove useful to those making decisions about the future of the Federal Employees Health Benefits (FEHB) Program and about issues of healthcare policy in general.

Although the FEHB program exists to meet its own clients' needs, it also has a role to play as a model and a test bed for improving the performance of the U.S. health system as a whole. This notion of *Leadership by Example* was the subject of an IOM report, requested by the United States Congress, which examined the role of other federal health programs (Medicare, Medicaid, Department of Defense TriCare, State Children's' Health Insurance Program, the Veterans Health Administration, and the Indian Health Service) in demonstrating possible improvements in U.S. health care.[1]

At this time, the Federal Employees Health Benefits Program has unprecedented opportunities to encourage and to benefit from uses of health information technology to improve the quality and safety of health care.

I would like to provide an overview of relevant studies and initiatives. Then I will offer a few ideas about how the FEHB might test and demonstrate some

approaches to using information technology to improve the quality and safety of health care.

Institute of Medicine Studies

As early as 1991 the Institute of Medicine recognized that computer-based patient record systems incorporating decision support could play an essential role in supporting the quality of care.[2] Not mere repositories of patient information, such systems were seen as interactive assistants, providing critical information and advice as clinicians were making diagnostic and therapeutic decisions. Nearly a decade later, a study of medical errors[3] lent urgency to efforts to make computer-based patient record systems, now called electronic health records (EHR) widely available. The finding that tens of thousands of Americans were dying in hospitals each year as a result of medical mistakes spurred investigations into ways to improve the safety and quality of care. A consistent recommendation of these studies was to develop and implement EHR systems designed to minimize the opportunity for errors of omission and commission. The goal was to help clinicians to do the right thing—and only the right thing. Rather than merely train clinicians who are capable of getting it right, we should aim to create systems—including professional education, evidence-based and consistent practices, equipment re-design, process improvement, and information technology—that cannot get it wrong.

The Institute of Medicine's 2001 report, *Crossing the Quality Chasm,* recommended that "All healthcare organizations, professional groups, and private and public purchasers should pursue six major aims; specifically, health care should be safe, effective, patient-centered, timely, efficient, and equitable."[4] Other recommendations called for the use of information technology in support of those aims. Examples include:

- Use of the Internet, among other means, to provide continuous access to communication with one's own care providers, to one's own health records, and to reliable health information for personal decision making and self-management of health concerns;

- Use of clinical decision support at the point of care to remind clinicians of needed services, to alert them to possible dangers, and to advise them about evidence-based practices;

- Creation of a national health information infrastructure to support health care delivery, consumer health, quality measurement and improvement, public accountability, clinical and health services research, and clinical education.

Crossing the Quality Chasm also recommended that, "Private and public purchasers should examine their current payment methods to remove barriers that currently impede quality improvement, and to build in stronger incentives for quality enhancement."[5] Implications for informatics include incentives for acquiring and implementing health information technology and using the technology in a variety of quality improvement initiatives. Electronic health records are essential, for example, to obtain quality measures as the basis of pay for performance.

The Institute of Medicine's 2004 report, *Patient Safety: Achieving a New Standard for Care,* enlarged upon these recommendations, specifying that "all healthcare organizations should establish comprehensive patient safety systems that:

- Provide immediate access to complete patient information and decision support tools (e.g., alerts, reminders) for clinicians and their patients;

- Capture information on patient safety—including both adverse events and near misses—as a by-product of care, and use this information to design even safer care delivery systems."[6]

Other recommendations called for the establishment and adoption of standards to permit communication across information systems for clinical care, administration, reimbursement, research, quality improvement, safety, and public health reporting. Such standards are critical to the development of regional and national information infrastructures.

In January 2004 the Institute of Medicine convened a Summit Conference of community and national leaders to identify strategies for achieving high-quality care. The report of that conference[7] included strategies for federal leadership to accelerate the adoption of electronic health records, citing an IOM Letter Report[8] that identified eight core functions for an electronic health record:

1. Health information and data
2. Results management

3. Order entry/ management
4. Decision support
5. Electronic communication and connectivity
6. Patient support
7. Administrative support reporting
8. Population health management

Such health records, as part of a local, regional, or national information infrastructure, would facilitate coordination of care among the many providers serving a single patient and assist patients in the self-management of their chronic illnesses. However, financial incentives would need to be realigned to support the acquisition and implementation of health information technology, the provision of coordinated care, and the integration of patient self-management into care processes. A new report, issued jointly on July 20, 2005 by the National Academy of Engineering and the Institute of Medicine, calls for the application of systems engineering methods to health care enterprises to bring about these and other needed changes.[9]

Current Federal, State, and Private Initiatives

Currently there are many efforts underway to implement these and other recommendations of the IOM reports on the quality and safety of health care.

The federal government is partnering with states and with private entities to develop and demonstrate regional health information networks. Federal and private agencies are collaborating on the development and adoption of standards.

The Office of the National Coordinator for Health Information Technology[10] has issued RFPs for a number of initiatives that will support the functionality and interoperability of healthcare information technology in the interests of improving quality, including:

- A process to harmonize national standards for data and technology;

- A process to specify criteria for the functional requirements for health IT products and to certify compliance;

- The development and evaluation of models and prototypes for a National Health Information Network for widespread health information exchange;

- A process for addressing variations in privacy and security practices.

In the past two weeks, the Secretary of Health and Human Services has announced new initiatives to further these efforts.[11] In addition, DHHS has a 6-month project underway to determine how automated coding software and a nationwide interoperable health information technology infrastructure can detect and reduce healthcare fraud. The final report is due in September.

To facilitate the adoption of electronic health records in physicians' offices, the Center for Medicare and Medicaid Services has announced that it will make available free of charge a version of the Vista system in use throughout the Veterans Administration health care system.[12] While there will still be some costs for training and implementation, the total outlays should be substantially lower than for commercial alternatives. The lower cost will make it feasible for many practices to implement electronic records, and the widespread use of a common system will facilitate exchange of information.

Bills are before Congress to increase support for standards development and harmonization, for regional and local health information infrastructures, for the acquisition and implementation of health information technologies, for the voluntary reporting of errors, and for rewarding providers who demonstrate quality consistent with the six aims.

Ideas for FEHB Actions

The current climate is rife with opportunities for the Federal Employees Health Benefit Program to provide models and test beds for the use of information technology to improve quality and efficiency in health care. In contracting with health plans, those responsible for the FEHB program might consider a number of strategies, including:

1. **Favor health plans and providers that use electronic health records consistent with national standards to perform the functions outlined above. As the certification process for compliance of electronic records with functional requirements and harmonized**

national standards becomes available, recognize only certified products.

2. **Encourage the use of federal and other resources for adoption of certified health information technology, participation in health information networks, and training of clinicians, patients, and others in the optimal use of the information and the technology.**

3. **Provide incentives for collecting and reporting quality measures via data from the electronic health record and for demonstrating improved performance consistent with the six aims for high-quality health care (safe, effective, patient-centered, timely, efficient, and equitable). The providers and health plans contracting with the FEHB offer an excellent test bed for alternative models of payment for performance on criteria of quality.**

4. **Create and test economic models of uses of health informatics to achieve the six aims of health care, taking into account:**

    - Coordinated clinical care of individuals, including measures of quality and cost, especially for those with chronic illnesses
    - Health of populations and public health reporting
    - Post-market surveillance of medications and health devices
    - Detection of fraud and abuse
    - Biosurveillance
    - Homeland security

Thank you for the opportunity to provide this overview and set of suggestions to the committee. If there are ways that the Institute of Medicine may be helpful as you proceed with your deliberations, we would be pleased to respond.

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